

Top Myths About the Children's Health Insurance Program (CHIP) Re-authorization

MYTH: CHIP does not target poor children and extends coverage to children in families earning \$83,000.

Reality Check:

The bipartisan children's health insurance bill puts poor children first, just as its opponents claim it should. The bill specifically targets the lowest-income uninsured children for outreach and enrollment in the State Children's Health Insurance Program and Medicaid.

Senator Orrin Hatch (R-Utah) recently explained that 92 percent of children covered by the bill will be in families making less than 200 percent of the federal poverty level. No state currently covers children in families earning \$83,000 and the bipartisan bill does NOT call for coverage for children in families at higher income levels.

Instead, the bill REDUCES federal matching funds for future coverage of children at higher income levels, providing incentives to cover the lowest-income children instead. Also, the bill adds a new performance review and accountability measure to track the number of low-income children covered in each state. [[Houston Chronicle, 10/6/07](#)]

MYTH: Provides health coverage to illegal immigrant children.

Reality Check:

Undocumented immigrants have never been eligible for Medicaid or the Children's Health Insurance Program. The bipartisan children's health insurance bill requires proof of citizenship before enrollment in CHIP, similar to requirements for the Medicaid program. States can use a number of different methods for verifying citizenship including requiring original birth certificates, passports, or Social Security numbers.

MYTH: Moves 2 million children from private insurance into government insurance.

Reality Check:

"Many people assume that CBO's estimate of the bipartisan agreement means that the families of 2 million children who currently have private coverage would voluntarily drop that coverage for their children and enroll the children in SCHIP or Medicaid instead. As CBO director Peter Orszag has explained, this is not correct... CBO defines "crowd-out" to include all children who are uninsured when they enroll in SCHIP or Medicaid but whose families would — in the absence of SCHIP or Medicaid — have purchased private coverage for these children at some point in the future, possibly many months later." [[Center on Budget and Policy Priorities, 9/27/07](#)]

MYTH: Will lead to socialized medicine.

Reality Check:

The bipartisan Children's Health Insurance Program (CHIP) is a capped block grant program, not an entitlement program, and it is run at the state level – not from Washington, D.C. Furthermore, like Medicaid, CHIP uses private doctors and private health care plans. Indeed, the vast majority of children enrolled in CHIP receive their health care coverage through private health care plans that contract with their states.

[[Center on Budget and Policy Priorities, 7/20/07](#)]

MYTH: Covers “kids” up to age 25 years old.

Reality Check:

There are absolutely NO provisions in this bill that change the existing eligibility rules regarding the age of children covered. Under the bill, just as under current law, the Children's Health Insurance Program covers children up to age 19.

MYTH: Much of the funding for CHIP under this bill will go to adults.

Reality Check:

This bipartisan children's health insurance bill places the priority on children's coverage – and therefore PHASES OUT the coverage of parents and childless adults entirely over a two-year period (there are currently about 600,000 of these adults covered under CHIP). Only optional coverage for pregnant women remains under the bill.

MYTH: Covers taxpayer-funded abortions.

Reality Check:

The Children's Health Insurance Program has never covered abortion services, and it continues to not cover abortion services under this bill.